IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Nationstar Mortgage, LLC Opposer, v. Mujahid Ahmad Applicant.	78/866,376 Opposition No. 91177036

OPPOSER'S REPLY BRIEF IN SUPPORT OF
OPPOSER'S CROSS-MOTION FOR SUMMARY JUDGMENT

Opposer Nationstar Mortgage LLC ("Opposer") hereby submits the following reply brief in support of Opposer's Cross-Motion for Summary Judgment ("Motion") against Applicant Mujahid Ahmad ("Applicant").

Opposer respectfully requests that the Board exercise its discretion to consider Opposer's reply brief pursuant to TBMP § 502.02(b), since it responds to new baseless arguments raised in Applicant's Opposition to Opposer's Cross-Motion for Summary Judgment and does not merely reiterate previous arguments.

I. There is No Reason For Applicant to Move to Amend Other Than to Cure His Fraudulent Declaration of Use

Applicant claims that the fraud claim is "irrelevant" to the Motion to Amend and that Applicant's amendment from an actual use basis to the new intent-to-use filing basis "does not attempt to remedy the alleged fraud." Applicant's Response, at 1. Applicant's argument is difficult to understand - if the mark was actually in use in commerce at the time of the filing of the '376 Application, there is no conceivable reason for seeking to amend to an intent-to-use basis, other than attempting to cure Applicant's fraud. Accordingly, Applicant has not

provided any explanation for why its Motion to Amend seeks to alter the use based application. However, the clear and unrebutted explanation is that Applicant's original declaration of actual use misrepresents the facts, and Applicant committed fraud.

Applicant also ignores the Board's holding in *Hurley Int'l LLC v. Volta,* 82 USPQ2d 1339, 1346 (TTAB 2007), in which the Board refused to allow an applicant to amend its filing basis from Section 1(a) to Section 44 to escape a fraud claim. Further, *Sinclair Oil Corp. v. Kendrick*, 85 USPQ2d 1032 (TTAB 2007), cited by Applicant, does not excuse Applicant's fraud. The Board explicitly stated in *Sinclair*, that "amending the filing basis of the involved application to Section 1(b) does not protect the application from a fraud claim." *Id.* at 1033. In *Sinclair,* the Board entered Summary Judgment on the issue of fraud because Applicant's material misrepresentation concerning use in her original application rendered her application "void *ab initio*", despite later amendment to an intent-to-use basis. *Id.* at 1037.

In sum, even if the Board were to grant Applicant's Motion to Amend, it would not dispose of Opposer's fraud claim. *Id.* Further, the existence of Applicant's fraud should render Applicant's Motion to Amend moot. *Hurley*, 82 USPQ2d at 1346.

II. Applicant Has Not Used the Mark in Connection with All of the Claimed Services

Opposer cited several cases in its Motion in which the Board has held that an applicant or registrant committed fraud when it made a false allegation of use. Applicant claims that "unlike the cases cited by Opposer . . . one cannot unequivocally conclude that Applicant was not providing the services identified in his application." Applicant's Brief, at 3. In fact, aside from Applicant's conclusory, unsupported allegations, Applicant has not provided any evidence that Applicant has ever rendered any services under the NATIONSTAR mark.

A. Applicant May Not Rely Solely on Conclusory Allegations of Use - Corroborating Evidence is Required

Applicant claims that summary judgment is not appropriate "where Applicant continues to claim that it used the mark in connection with all of the identified services prior to the application filing date and has provided evidence to support its claim." Applicant's Motion, at 3. However, Applicant has not provided any evidence to support his claim. Other than his advertising flyers and interrogatory responses, Applicant has not pointed to any new evidence which would be sufficient to defeat Opposer's Motion for Summary Judgment. For example, Applicant has not provided any declarations from his alleged customers stating that they believed that the NATIONSTAR mark was used to indicate the source of the services they obtained from Applicant, or that Applicant used the NATIONSTAR mark in promoting or rendering these services.

Applicant misrepresents the Board's *Herbaceuticals, Inc. v. Xel Herbaceuticals, Inc.*, Canc. No, 92045172 (March 2, 2008) decision as stating that a party may defeat summary judgment on a fraud claim merely by continuing to allege that it used the mark. This is directly contrary to the basic tenets of summary judgment practice, which hold that "the nonmoving party may not rest on mere denials or conclusory allegations, but rather must proffer countering evidence . . . showing that there is a genuine issue of fact for trial." TBMP § 528.01. Accordingly, Applicant can not rely merely on an uncorroborated assertion of use as sufficient evidence to defeat summary judgment. *See Quest Capital Mgmt., Inc. v. National Home Buyers Assistance, L.L.P.*, Canc. No. 92043995 (TTAB Mar. 23, 2006) ("While the Board will not decline to consider Mr. Lyon's statements . . . where such statements are unsupported by documentary evidence of content, Mr. Lyon's statements on such matters will be accorded a minimal probative value."). If the party seeking summary judgment makes out a

prima facie case for summary judgment and the nonmoving party does not provide any evidence showing a genuine issue of material fact, the Board is required to grant summary judgment. *See Venture Out Props., LLC v. Wynn Resorts Holdings, LLC*, 81 USPQ2d 1887, 1894 (TTAB 2007) (granting summary judgment "[u]pon careful consideration of the pleadings, the parties' arguments, the evidence submitted by Opposer, and the absence of any contravening evidence."). Because Applicant has not produced any evidence to rebut Opposer's showing of fraud, summary judgment must be granted. *Id.*

B. Applicant Still Has Not Submitted Any Evidence of Use of the NATIONSTAR Mark

There is absolutely no evidence that Applicant ever used the NATIONSTAR mark in connection with the rendering of the services listed in the '376 Application. Applicant claims that there is no requirement "that he must have documents that show the NATIONSTAR mark on brokered property listings," but Applicant must provide some evidence, beyond conclusory allegations, showing that he used the mark in connection with the rendering of the services. The only alleged evidence Applicant has produced is mere advertising for services, such as Applicant's flyers or business cards, and this does not constitute use in commerce. *Sinclair Oil,* 85 USPQ2d at 1035. In *Sinclair Oil*, the Board held that "use of the mark in connection with promotional, advertising or other activities undertaken prior to actual rendering of the recited services does not constitute actual 'use in commerce' of identified services sufficient to support the filing of a use based application." Applicant therefore must produce evidence other than this advertising to demonstrate use in commerce. *Id.*

Applicant has listed specific examples of the services he allegedly provided to certain consumers. Applicant's Brief, at 6-7. Even accepting Applicant's unsubstantiated allegations

that these services were rendered under the NATIONSTAR mark, the provision of these services is not sufficient to defeat Opposer's motion for summary judgment. These alleged examples do not cover most, if not all, of the many services listed in the '376 Application. For example, there are no allegations of use in connection with "business finance procurement services." The only alleged transaction regarding a business (Pak-American Corporation) rather than an individual did not occur until February 23, 2007, well after the April 20, 2006 filing date of the '376 Application. Further, none of the alleged transactions involve "rental of real estate" or "real estate management services." As noted in Opposer's Motion, these services are also not referenced in Applicant's advertising flyers or letters.

As previously noted, Applicant was and remains a real estate agent for First American Real Estate, Inc., and he has provided no evidence that any of the services he has allegedly rendered were performed under the NATIONSTAR mark or as an agent of Nationstar Mortgage, Inc. Applicant justifies this fact by vaguely claiming that it is industry custom for agents to use separate company names in advertising and brokering deals for their brokers. Applicant's examples - real estate agents associated with various realtors using names such as "The Creig Northrop Team," "The Estridge Group," and "The Levy Team" - use surnames to identify a group or team of brokers affiliated with one brokerage firm. See Applicant's Brief, at 4-5. By contrast, Applicant's "Nationstar Mortgage, Inc.," signifies a completely separate and independent business from "First American Real Estate, Inc." Regardless, Applicant has not provided any evidence that he followed the alleged industry custom by holding himself out as Nationstar Mortgage, Inc. while an agent of First American Real Estate, Inc.

More importantly, Applicant has already admitted that First American had no involvement in the alleged sale of Applicant's services to customers. Opposer's Motion, Ex. 1,

Applicant's Responses to Opposer's Second Set of Interrogatories, at No. 4. Thus, Applicant's new argument that he operated Nationstar Mortgage in connection with his relationship with First American contradicts his earlier statements.

III. Applicant's Alleged Reasonable Belief Does Not Excuse His Obligation to Ensure That His Declaration of Use Was Truthful

Applicant excuses his clear lack of use of the NATIONSTAR mark in connection with the identified services in the '376 Application by arguing that "[t]he question is not whether the mark was in use for all of the services identified in the application, but rather whether the Applicant was reasonable in his belief that it was." Applicant's Response, at 3. However, "reasonable in his belief" is not the standard. The Board has stated the standard as follows:

> It is well established that in inter partes proceedings "proof of specific intent is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false."

Hurley Int'l LLC. v. Volta, 52 USPQ2d 1339. *Hurley* relies on the Board's holding in *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 1205). In *Hurley*, the Board stated:

> In this instance, the law is clear that an applicant may not claim a Section 1(a) filing basis unless the mark was in use in commerce on or in connection with all the goods or services covered by the Section 1(a) basis as of the application filing date. 37 C.F.R. Section 2.34(a)(1)(i)...
>
> As the Board determined in *Medinol, supra* at 1209, "the appropriate inquiry is...not into the registrant's subjective intent, but rather into the objective manifestations of that intent." In *Medinol,* supra at 1209-1210, the Board concluded that the facts justified a finding of fraud: The undisputed facts in this case clearly establish that respondent knew or should have known at the time it submitted its statement of use that the mark was not in use on all of the goods. *Neither the identification of goods nor the statement of use itself was lengthy, highly technical, or otherwise confusing, and the President/CEO who signed the document was clearly in a position to know (or to inquire) as to the truth of the statements therein.* (emphasis added).

These facts are the same as in the instant case. The Board's holdings in *Hurley* and *Medinol* demonstrate that Applicant's failure to verify the truth of his declaration of use cannot simply be excused as reasonable. Applicant was certainly in a position to know what services he was actually using at the time of signing his declaration of use, and is charged with ensuring the accuracy of his own declaration. The reasoning of the Board in *Hurley* illustrates that Applicant's excuses do not absolve him of fraud. As the Board held,

> The fact that applicants allegedly misunderstood a clear and unambiguous requirement for an application based on use, were not represented by legal counsel, and were suffering health problems does not change our finding of fraud herein...
>
> Applicants were certainly in a position to have personal knowledge of the facts concerning their own use of their mark on the services identified in their application. Similarly, they were clearly capable of availing themselves of the relevant information available on the USPTO website regarding the various filing bases and their specific requirements.

Despite his personal knowledge, Applicant failed to ensure that his declaration of use was truthful. Because the holdings of *Hurley* and *Medinol* apply equally to the circumstances of the instant case, the Board must find fraud as a matter of law.

IV. Conclusion

For the reasons set forth above, Opposer respectfully requests that the Board grant summary judgment in favor of Applicant and refuse registration of Application Serial No. 78/886,376.

Respectfully submitted,
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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing OPPOSER'S REPLY BRIEF IN SUPPORT OF OPPOSER'S CROSS-MOTION FOR SUMMARY JUDGMENT was served this 7th day of April, 2008 by first-class mail, postage prepaid, on:

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